

January 7, 2011

Yolanda Cruz  
President  
Municipal Employees' Federation, AFSCME Local 101  
c/o Library Department

**RE: City/MEF Negotiations**

Dear Yolanda:

I am in receipt of your letter dated January 5, 2011, which responded to the City's letters dated December 17, 2010, regarding MEF and CEO contract negotiations and coalition bargaining for retirement benefits. Your letter requests a delay in beginning negotiations so that you can present the City's request to the general membership.

Although we are aware that MEF is not contractually obligated to begin negotiations with the City on a successor contract in January 2011, we had hoped that MEF shared our interest in beginning negotiations as soon as possible given the very significant challenge we have ahead of us as well as our mutual obligation to endeavor to reach agreement on matters within the scope of representation prior to the City Council's adoption of the final budget for Fiscal Year 2011-2012. Also approved by the City Council on November 18, 2010, was a guiding principle to commence negotiations in January 2011 so that there is sufficient time to carefully evaluate proposals that are exchanged between the City and each union. MEF was sent the council memo dated November 10, 2010, containing this guiding principle. It was the City's hope that we could begin negotiations as soon as possible to allow ample time for discussions. A delay in commencing negotiations limits joint problem solving opportunities.

While the City is disappointed that MEF is requesting to delay bargaining on a new contract and over retirement benefits, we look forward to hearing from you soon about beginning those negotiations.

We do want to remind you of the current agreement we have regarding retiree healthcare negotiations. Per our agreement made in June of 2009, we agreed that the parties would commence meeting and conferring between January 1, 2011 and January 19, 2011, on retiree healthcare benefits for future employees and a medical reimbursement program for future retirees. Please let us know a date prior to January 19, 2011, that MEF is available to begin these negotiations.

Should you have any questions, please let me know.

Sincerely,



Alex Gurza  
Director of Employee Relations

c: Gina Donnelly, Deputy Director of Employee Relations  
Keith Uriarte, AFSCME Organizing Director  
Charles Allen, AFSCME Business Representative  
Greg Ramirez, AFSCME Business Representative  
LaVerne Washington, CEO President